REMARKS

- 1. Claim 4 stands objected to because of a grammatical informality. This informality has been corrected by the foregoing amendment.
- 2. Claims 2, 4 7 and 8 stand rejected under 35 USC § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. In particular, the office action finds the phrase standard sizes indefinite. Claims 2, 4, 7 and 8 were also objected to for including unclear limitations that rendered each respective claim vague and indefinite. Applicant has canceled claims 2 and 7, and amended claims 4 and 8, thus overcoming the rejection of these claims. Claims 4 and 8 have been amended to clarify that the digital photographic product contains a "half-cut" in the shape of a rectangle with rounded corners.
- 3. Claims 1, 2 and 4-8 stand rejected under 35 USC §102(b), as being anticipated by Viby (WO 99/31644). Claim 1 and claim 5 have been amended. The office action states that Viby discloses the same product structure as disclosed by the application at issue. Applicant respectfully disagrees.

Very simply, Viby teaches printed paper labels or tags adhered to a backing. Each label or tag is printed within an area defined by a half cut through the paper. The system produces labels or tags that may be peeled free of the backing for use.

Applicant teaches a photographic product that includes *photograph* paper adhered to a liner. Just as importantly, surrounding each photograph area is a half-cut that is

positioned to receive less than the entire photographic image. In particular, the safety margin of the photographic image is printed outside the half-cut and the photograph inside the half-cut so that, when the photograph is peeled from the backing, it leaves the liner, the adhesive, and, critically, *part of the photographic image*, namely, the safety margin. In these two regards, namely, the type of material of the top layer and the location of the half-cut, the present invention differs significantly from, and is not anticipated by, Viby.

Viby specifically teaches that whatever printing is made on the labels or tags is made completely within the borders defined by the divisions or cuts made in the printing paper (page 6, lines 23-32 and Figs. 1, 2 and 3). Thus, Viby's half-cut defines that boundary between everything that is printed (inside the half-cut) and either an unprinted margin or the next tag. In contrast, Applicant uses the location of the half-cut for each photograph image to divide the photographic image between a photograph portion and the safety margin, placing the latter outside the half-cut in the marginal area and former inside the half cut in the photograph area.

Viby clearly also does not anticipate the use of photographic paper. In fact, Viby claims only the creation of paper labels or paper tags printed on unprinted or, alternatively, pre-printed printing paper or printing cardboard (page 12, Claims 1 and 5).

The present invention, on the other hand, is intended to produce digital photographs having the same appearance of photographs that are developed from conventional film by traditional methods known to those in the art. To do so, the present invention employs "photograph paper" that is a particular material well-known in the art. Photograph paper is certainly well-known to those of ordinary skill in the art to be not "[any] paper that is capable of receiving ink/toner such as from an ink-jet printer" but rather a specialty paper

designed specifically to produce high-quality, color-rich images that are hard to distinguish from traditionally developed photographs.¹ Such paper is heavier and thicker than typical multi-purpose papers, to accommodate greater ink coverage typically found in photos. It also has a coating that produces the photo-quality finishes familiar to anyone who has had photographs developed such as glossy and matte.² The coating on the thicker paper required to obtain the photograph paper itself is a structural component not included in the label system disclosed by Viby and would not be used to make labels (as ordinary paper or cardboard are not used for digital photographs), and its structural difference is inherent in the term "photographic paper." Photographic paper is as different from paper structurally as sandpaper is structurally different from paper, as is clear to those of ordinary skill.

4. Claim 3 stands rejected under 35 USC §103(a), as being unpatentable over Viby as applied above and in further view of Schliesman et al. (US Patent No. 6,129,785). Applicant has set forth above the structural differences between the prior art Viby reference and the present invention, which Applicant believes to render the claims as amended not anticipated or obvious in view of Viby, and its foregoing remarks are incorporated herein in the rejection of claim 3 in view of Viby and Schliesman.

Schliesman teaches a "Low PH Coating Composition for Ink Jet Recording Medium and Method," an ink receptive coating comprised of silica pigment, binder and a cationic fixing agent that is applied to paper (column 1, lines 45-46 and column 2, lines 34-40). Schliesman teaches a coated paper. Nothing in Viby suggests a coating such as

¹ See "Specialty paper for printing" at a website for Hewlett Packard printers and printing supplies, http://h71036.www7.hp.com/hho/cache/843-0-0225-121.aspx.

² See "What You Need to Know Before Buying Inkjet Photo Paper," at http://desktoppub.about.com/cs/paper/bb/inkjetpaper.htm.

Schliesman's would be useful on labels or tags and no motivation is provided in the Office action for the combination. Therefore no prima facie case for obviousness is made out.

Assuming, *arguendo*, there were such motivation, which Applicant disputes, Schliesman discloses that the coating is intended to improve print quality and drying time but does not disclose the application of the coating produces the specialty photograph paper intended for use in the present invention (column 1, lines 44-54). Schliesman discloses that the inventive coating may be applied on several different papers from light weight Bible paper to heavy specialty papers, but does not state that the coating will produce photo quality finishes such as glossy or matte. In short, Schliesman discloses a coated paper only and does not teach the features of the present invention of a support layer or adhesive layer.

Nor would the combination of Schliesman and Viby make the present invention obvious. Schliesman, assuming it were properly combinable with Viby, does not overcome the shortcomings of Viby identified above.

Applicant respectfully believes this to be a proper and timely response to the Office Action. Applicant respectfully requests examination on the merits of the application. An early and favorable action to that effect is earnestly solicited.

Should any matter of form or language stand in the way of allowance of the present application, the undersigned respectfully requests a telephone conference to resolve such issues.

Please charge any deficiency in fees or credit any overpayment in connection with this Amendment to Deposit Account 04-0500.

Respectfully requested,

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